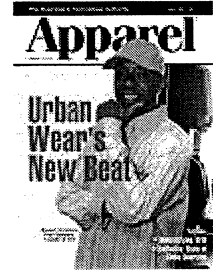


Apparel

Issue Date: August 2005

Marketplace Update: Urban Wear: Moving to a New Beat

JORDAN K. SPEER



Ask Phat Fashions founder and CEO Russell Simmons what urban wear is, and he'll tell you he doesn't know. Ditto, Damon Dash, co-founder of Rocawear. Ditto Daymond John, founder and CEO of FUBU. Marc Ecko, founder and CEO of Mark Ecko Enterprises, will tell you "urban" as a label no longer makes sense.

For something that so eludes definition and is perhaps a misnomer, urban wear represents a hefty \$10 billion slice of the apparel marketplace — and it has made all four of these men very, very rich. Regarded as exclusively "ethnic" or "inner city" when it first hit the streets in the early '90s, urban wear (a.k.a. hip-hop or street wear), following the trajectory of the hip-hop culture from which it sprung, has moved rapidly from garage shops to the major malls of mainstream suburban America. More surprisingly, it rose to this commanding position virtually without awareness or interest from many major U.S. retailers and brands.

But the apparel world has taken notice. Last year, in a move that sent shock waves through the apparel industry, apparel giant Kellwood Co. purchased Phat Fashions for a cool \$140 million. Likewise, in late 2003, Liz Claiborne purchased Enyce for \$121.9 million.

Retailers have been paying attention as well. In the late '90s, for example, PacSun, a leader in skate- and surf-inspired apparel, launched its d.e.m.o. stores to cater to what it describes as the "fashion influence derived from hip-hop music and the personalities associated with the lifestyle." The division has grown from 15 to 169 stores as of April. Along with to the big-name urban brands, d.e.m.o. carries its own private label, Anisette.

If retailers are hopping on the bandwagon, it's probably because urban wear — whatever it is — is big money. For the year ending in April, Phat Fashions reported retail sales of \$750 million, and the apparel house is in good company. Marc Ecko Enterprises (MEE), which includes brands Ecko Unlimited, G-Unit, Zoo York and "Cut & Sew," and has roots in board and graffiti culture, reported 2004 sales of \$1 billion. Ecko Unlimited, of rhinoceros logo fame, comprised about \$400 million of that total.

Rocawear, founded by record producer and entrepreneur Damon Dash and rap artist Jay-Z, reported 2004 sales of about \$350 million. Estimates of Puff Daddy's Sean John line are upward of the same neighborhood. Akademiks forecasts 2005 sales at \$90 million.

Today, urban wear is increasingly sold in department stores from Macy's to Nordstrom and specialty stores such as Up Against the Wall, Dr. Jay's and d.e.m.o. It is sold everywhere from Japan (where FUBU hit it big in the early '90s) to the Middle East (where Phat Fashions will open 19 free-standing stores over the next two years) to Russia (where J.Lo recently opened its flagship — and first free-standing — store, in Moscow).

Chip Rosen, vice president of licensing and marketing for J.Lo, says that the brand has "street edge" but is definitely not urban wear.

But what is urban wear?

Perhaps the reason that urban wear is so difficult to pin down is because it is a moving target

that is at once obvious — to paraphrase Supreme Court Justice Potter Stewart, you know it when you see it — and elusive, the label resting as much on the people who make it and wear it as the clothes themselves.

But ultimately, the reason that urban wear is so indefinable is that its evolution away from its roots in street culture coincided with a national embrace of the hip-hop movement. Along the way, each influenced the other, and both changed.

Long gone is the '70s underground rap music scene of block parties, break dancing and graffiti, which formed the early elements of hip-hop culture. Russell Simmons, whose celebrity was already assured before Phat Farm was a twinkle in his eye, was instrumental in bringing hip-hop culture from the streets of New York to the American mainstream by signing acts such as The Beastie Boys, Run D.M.C. and L.L. Cool J to his label, Def Jam Records.

Today, "urban" is no longer a subculture. But unlike most countercultural phenomena that rail against the Establishment (think punk rock, or the '60s hippie movement), hip-hop is unique in that it draws its strength from achieving mainstream success, the American Dream. Simmons says that Phat Farm is "not about changing America but making it greater, being part of its evolution toward greatness."

Indeed, urban wear is often described as "aspirational." It is about keeping up with — and surpassing — the Joneses. It's about making a lot of money, and then making some more. "That's why we don't burn out when we get big," says Simmons. "Rock and rollers, sometimes you get too big, your fans don't like you. Shit, our fans love [rap artist] 50 Cent. The bigger he gets, the more they love him. They're proud of him. ... [As long as your] message doesn't change and you're honest, they love you. You representin'."

Urban wear is about enjoying life and all of its pleasures, including the very best, most expensive clothes — and lots of them. (Dash "pops tags" every day. He never, ever, wears an article of clothing more than once.) These are aspirations that transcend race, religion, sex and neighborhood. "The products we covet are defined by their ability to make our lives more enjoyable, not by geography," says Ecko. The bigger hip-hop gets, the more its groupies hold on. That, ultimately, may be the reason for its enormous success, as well as its elusive nature.

Okay, but really, what is urban wear? And who's wearing it? If hip-hop music has come a long way since the SugarHill Gang released "Rapper's Delight," then so have the consumers of this culture.

As urban wear has achieved greater acceptance and commercial success, the urban wear consumer has become "increasingly sophisticated and has proven his and her ability to shop across brands," says Bernt Ullman, president, Phat Fashions. He cites Lacoste — not your typical urban brand — as one of the most popular brands among urban wear consumers today.

You might say that urban wear has come full circle. Daymond John, a pioneer of the urban wear movement, who, with four friends and a \$100,000 mortgage on his home launched FUBU out of his garage in 1992, likes to remind people that "the first brands in the urban ... market that we were wearing were Lee's and Levi's and adidas. And Lacoste and Sportif." Sometimes, urban wear is just about who's wearing it.

Dash says: "Tommy Hilfiger was urban wear, but now it's not. ... Polo could be urban wear, you know what I'm saying?"

"Urban simply means 'city' and what makes city life so intriguing is that everyone, even if you do not live there, is influenced by the many cultures and lifestyles that make it up," says Michael Stoney, director of marketing, THElabel.

Today, the "core" urban wear brands are just like the big brands of yesteryear for the current generation of kids, says Ullman. "Successful urban companies are transcending the music and the original culture, and they're just simply becoming brands."

Still, it doesn't hurt that many of the names behind the biggest of these urban megabrands are huge celebrities of the hip-hop world: Russell and Kimora Lee Simmons, Jay-Z and Damon Dash, Eminem (Shady Apparel), Nelly (Applebottoms), 50 Cent (partner with Ecko in G-Unit)

and Jennifer Lopez, to name a few of the most prominent.

The star appeal of the sector shines bright at the bi-annual MAGIC marketplace. While MAGIC does not officially identify "urban wear" as a distinct market segment on its marketplace floor, its "streetwear" classification — which includes board sports apparel, contemporary street wear, non-urban music-inspired apparel and young men's and men's wear — is witnessing particularly strong growth, says Camille Candella, marketing director for MAGIC. In particular, its "High 5" segment is seeing "buzzworthy" developments in apparel from names such as Konscious Klothng, UNDR-CRWN, Red Clay, Imaginary Foundation, Recon, Exact Science, Fresh Jive and Milkcrate Athletics, she says.

Yet urban wear as a market segment continues to morph. Urban brands are reinventing themselves, from color palettes to fabrications and styling, and diversifying into categories such as denim and button-down shirts, says Candella. "The maturing hip-hop community [is] opting for simple, clean looks of all-white, high-thread-count cotton tees and hand-painted T-shirts," she adds.

Ecko classifies recent men's wear trends as "itemsy," driven by track jackets (not hook-ups) and "great finishes" on five-pocket jeans.

Fits in urban wear also have changed. Some consumers still opt for the traditional baggy or oversized look, but in general, fits "have gotten cleaned up," says Ullman.

Trends in urban wear run wide and deep, and new entrants into the marketplace add to the variety, even as the core brands cast out with sub-brands to appeal to a wider demographic. Aforementioned THElabel, a new brand launch from the owners of Avirex, focuses on the "psychographic" of its consumers, speaking to those whose philosophy is that of self-actualization, inner strength and individual spirit, says Stoney. "THElabel man can confidently put forth his own appropriate fashion statement, no matter the occasion." The preppy Phat Farm (tagline: "Classic American Flava") is launching Phat Farm Select, its high-end line of men's wear. This year, J.Lo launched the Sweetface collection, targeting a higher-end women's market for consumers in their mid-20s to 40s. Dash, whose brands range from State Property (a bit hard edged) to Rachel Roy (couture) and ProKeds (footwear), says he "aspires to make clothes that will be accessible to everyone."

Smart moves all, as today's consumers are as demanding and complex as ever, unrestrained by convention. "Today's young consumer isn't confined to one way of doing things — moving from shooting hoops one day to riding a half-pipe [a U-shaped skateboarding wall] the next; listening to Eminem in the morning and White Stripes at night," says Ecko.

Urban wear is a moving target because the target consumer is as well. "This is a fluid cycle of popular culture that we live in," says Ecko. "My customer is cynical and conscious. That is not unique to my brand; that is the reality of the ever morphing, ever stratified, 18-34 demographic. You can't sum up my customer in one static image. There's no snapshot that is definitive. I feel my customer believes and senses that, and this is core to the success of [our] being able to break 'demographic' boundaries. The tradition of mega-brands of the '80s was to profile their customer in 50 words or less, and one photo. That model is not relevant today. No one wants to be put in a box. That's un-American."

JORDAN K. SPEER is senior editor of Apparel. She can be reached at jspeer@apparelmag.com.

Westlaw.

NewsRoom

1/12/04 CRNYBUS 1

Page 1

1/12/04 Crain's N.Y. Bus. 1
2004 WLNR 1760294

Crain's New York Business
Copyright 2004 Crain Communications Inc.

January 12, 2004

Volume 20; Issue 2

Section: Special Report

Hip-hop power trio drives new beat for New York
From Bronx turntables to midtown boardrooms
ylonda gault caviness and catherine curan

Everybody looks like somebody in this star-kissed crowd on an autumn New York night. Baggy-jeaned boys, miniskirted model types and middle-aged men in suits all seem glamorous as the paparazzi's cameras flash.

No one shines brighter than the man of the hour: an admitted ex-thug from Jamaica, Queens, his wrists, neck and earlobes iced out with enough diamonds to make Liberace swoon in his grave. He goes by the name 50 Cent-and multinational marketing giant Reebok is betting its future on his gangsta style.

The Canton, Mass.-based company has thrown this lavish, \$250,000 shindig at a downtown club to launch its sneaker line endorsed by 50. The platinum-selling rapper has proved his physical prowess not on the hardwood, but in the hood, where he survived nine gunshot wounds. Keeping it real is critical for the young trendsetters Reebok seeks, and the company has clearly figured out that the streets of New York City-50's home and hip-hop's birthplace-offer unimpeachable authenticity worldwide.

"This party brings a whole new halo to how people perceive Reebok-a young, fun energy," says Jay Margolis, president of Reebok International Ltd., straining to make himself heard above thumping hip-hop music. "We hope the people here at some point will want to wear Reebok."

Once dismissed as a counterculture with limited appeal, hip-hop has leaped from turntables in the South Bronx to the boardrooms of midtown Manhattan. More than just the music of a generation, hip-hop has morphed into a commercial and cultural force that is redefining New York.

"Every year, hip-hop penetrates deeper," says Russell Simmons, widely acknowledged as hip-hop's godfather. "For many years, it's been an influence on everything from

© 2007 Thomson/West. No Claim to Orig. US Gov. Works.

1/12/04 CRNYBUS 1

Page 2

fashion to cultural phenomena to commercials. If hip-hop decides (something) is hot, it's hot."

Entrepreneurial from the start, hip-hop always had the potential to move beyond music. Led by Mr. Simmons, a group of self-made black men cultivated hip-hop's commercial clout, pushing the business from music into fashion, and now an entire lifestyle. Mr. Simmons, 46, Sean "P. Diddy" Combs, 34, and Damon Dash, 32-products of the streets that hip-hop music glorifies-have combined CEO-sized ambition and hood hustle, expanding the American dream to include hip-hop's hard-edged vision of the high life.

Hip-hop's ascendance could only have started in New York, where rich and poor ride the subway together, and a walk up Manhattan's central artery, Fifth Avenue, takes you past Harry Winston diamonds at 56th Street to the National Black Theater at 125th Street in Harlem. Anyone can relate to hip-hop's aspirational themes, and as the lifestyle has grown to dominate America's youth culture, its color line has faded. Today, what was once considered black, urban and scary is simply youthful, popular and highly profitable.

New growth phase

Now that hip-hop is so obviously a New York business success story, it's entering a new phase of dramatic growth that will continue to reshape daily life in the city. The moguls have achieved enough critical mass to expand their empires to financial services, film, beverages and head-to-toe fashions for the whole family. They are evolving into political power players and pillars of traditional philanthropy. Corporate America, meanwhile, is rushing to partner with hip-hop stars-Missy Elliott appeared in a recent Gap ad-and finally buying into the black-owned businesses it once ignored.

Hip-hop's rise reverberates throughout New York in other, more subtle ways, challenging stereotypical notions of race and class by creating a whole new generation of black entrepreneurs. Hip-hop is introducing terms such as bling bling (flashy jewelry) into everyday speech. People who've never heard of Missy or 50 dress in casual, loose-fitting apparel for any occasion, and favor certain labels because of hip-hop's style-setting power.

"The suburban Westchester soccer mom and her husband jump into their SUV-he in his Timberland boots, or something like it, and she in her J.Lo-esque sweats," says Constance C.R. White, New York-based style director for eBay. "They aren't consciously thinking of hip-hop as a black thing. Hip-hop has simply come to define what is casual and youthful."

Hip-hop music, which makes up about 16% of U.S. music sales, is now broad enough to encompass the soft stylings of pop star Ashanti as well as a subgenre called acid rap, and old enough to have a second generation of fans. Last fall, in a reflection of hip-hop's power, for the first time in history songs by black artists held all top 10 slots on the Billboard Hot 100 chart.

According to Simmons Lathan Media Group, 45.3 million people worldwide spend \$12.6 billion annually on hip-hop media and merchandise, including music, television, publications and fashion. Vibe/Spin Ventures' Vibe, a music magazine with a

© 2007 Thomson/West. No Claim to Orig. US Gov. Works.

1/12/04 CRNYBUS 1

Page 3

hip-hop flavor, commands a circulation of 825,000, and beat The New Yorker to win the National Magazine Award for General Excellence in 2002.

Nonviolent roots

Hip-hop started in the early 1970s in the South Bronx as an alternative to violence. Neighborhood DJs and MCs created a lyrical substitute for gang warfare by vying for musical supremacy, says Jason King, associate chairman of the Clive Davis Department of Recorded Music at New York University. Savvy young entrepreneurs-notably Mr. Simmons-started independent music labels like Def Jam Records, and hip-hop grew. In 1985, Mr. Simmons signed a distribution deal for Def Jam with Sony Corp., helping set a course for his deal-making future.

Hip-hop's early development reflected a seat-of-the-pants creativity common to disenfranchised groups, which are often denied access to traditional paths of success and forced to rely on strength and cunning for survival.

"The hustle mentality-the whole 'Try to make a dollar out of 15 cents' way of thinking-is ingrained in the culture," says Jameel Spencer, president of Blue Flame Marketing+Advertising, a division of P. Diddy's Bad Boy Worldwide Entertainment Group. "Whether you're a white kid from Detroit or a black kid from Compton, the streets give you that training."

Initially, hip-hop music was not particularly violent-and actually denounced brand mongering. Run-D.M.C. rified, "Calvin Klein is no friend of mine/I don't want nobody's name on my behind."

But the emergence of gangsta rap from Los Angeles in the early 1990s hardened hip-hop, giving rise to a thug ethos that's still prevalent. Public ire created by Ice-T's "Cop Killer" fueled sales of hip-hop's most violent element. An intense East Coast-West Coast rivalry left several dead bodies in its wake: In 1996, Los Angeles' Tupac Shakur was murdered, and less than a year later, New York's Notorious B.I.G. was gunned down in an act rumored to be payback.

Good timing

Even as hip-hop was growing up tough, Mr. Simmons led development of another facet: its business potential. A 1992 Black Enterprise cover featured in his autobiography shows him sitting on a Rolls-Royce, wearing a hoodie and jeans. The following year, Mr. Simmons spent \$175,000 to open a clothing store in SoHo with rough wood floors and the playful name **Phat Farm**, from a hip-hop word for "cool." His line included loose-fitting jeans, hoodies and khakis.

Skeptics abounded, but the timing was right. Couturiers such as Karl Lagerfeld for Chanel were borrowing from hip-hop, and inner-city kids were spending big on Tommy Hilfiger and Polo to flaunt their logos.

Now a full-scale fashion empire with sneakers, womenswear, and men's suits, which are best sellers at Macy's Herald Square, Phat Fashion's retail revenues hit \$615 million in 2003. In a sign of the company's increasing sophistication, Kimora Lee Simmons, the model turned fashion designer Mr. Simmons married in 1998, recently spent \$1 million to banish the SoHo store's rustic touches, adding a crystal

© 2007 Thomson/West. No Claim to Orig. US Gov. Works.

1/12/04 CRNYBUS 1

Page 4

chandelier and polished slate floors.

Phat Farm's 20% annual revenue growth rate is all the more dramatic because traditional menswear sales have been declining. Mr. Simmons' collection thrives because of his star appeal. Affable, enthusiastic, profane and always in motion, this former low-level drug dealer turned yogi and devoted family man, maintains a carefully cultivated image: that of a tycoon who is still close to his Hollis, Queens, roots.

He's happy to sell business suits to aging hip-hop fans like himself who are thriving in the corporate world. But he is savvy enough to rarely be seen in a suit, favoring the informal, accessible look of a baseball cap and **Phat Farm** sweats.

"Russell is the one to move hip-hop forward. He has grown up, is raising a family, and every guy in hip-hop wants to be like him," says Tom Silverman, founder of Tommy Boy Records.

Mr. Simmons is leading hip-hop's forward march by developing as many new business ventures as he can think of. He recently launched a debit card with Visa, and has already signed up 240,000 customers for a fee of \$19.95 each.

Since hip-hop and sports are closely intertwined, Mr. Simmons is also seeking his slice of the multibillion-dollar athletic apparel market with a collection created with his brother, Joseph Simmons, a former rapper now known as Reverend Run. Mrs. Simmons is developing a jewelry collection with old-line Manhattan jeweler Fabrikant, as well as a furniture line.

American fashion's biggest players are finally paying attention. The nation's sixth-largest publicly traded apparel manufacturer, \$2.4 billion Kellwood Co., is producing the Run Athletics line and just last week said it will pay \$140 million plus incentives for Phat Fashions.

Mr. Simmons sets a standard other hip-hop moguls emulate. Like him, Mr. Combs and Mr. Dash are building diversified empires and attracting serious attention from investors eager for global growth. Last fall, Mr. Combs received a \$100 million investment from California billionaire Ron Burkle and Los Angeles-based private equity firm The Yucaipa Cos. to expand Sean John, his clothing brand. Mr. Dash's fashion brand, Rocawear, is rumored to be attracting several suitors for a majority stake.

Mr. Combs defines his clientele as America's multicultural youth. His top executives, whether in marketing, retail or real estate, all repeat this mantra: Sean John customers are America's trendsetters.

"Sean John is a lifestyle brand, the future of fashion," insists Jeffrey Tweedy, executive vice president of Sean John. "Hip-hop is also the way you present yourself, the way you wear the clothing. You can put on Gucci mixed with Sean John mixed with Fendi. It's not always just a baggy jean."

Mr. Tweedy expects Sean John to reach \$1 billion in wholesale sales by 2008. The 5-year-old label racked up \$400 million in retail sales in 2003. A store on Fifth

© 2007 Thomson/West. No Claim to Orig. US Gov. Works.

1/12/04 CRNYBUS 1

Page 5

Avenue will open early this year, with nine more planned nationwide by 2005. A women's collection and a fragrance are also on tap. At Federated, one of the biggest department store chains in the country, Sean John occupies 153,000 square feet of floor space-making it the store's third-largest player in menswear, behind only Polo and Tommy Hilfiger.

"We're taking real estate, we're taking dollars, we're buying real estate, we're making an impact in advertising, we're really into focusing on becoming a global brand," Mr. Tweedy says.

Newfound importance

Mr. Combs also carries a seal of approval from New York's notoriously snobby, nearly all-white fashion cognoscenti, who last year inducted him into the exclusive Council of Fashion Designers of America. His company, Bad Boy Worldwide, has revenues of about \$300 million.

His importance and the allure of hip-hop astonish people offended by its undercurrent of violence and sexism.

Mr. Combs was arrested in 1999 for assaulting a record executive, and tried in 2001 on gun possession and bribery charges related to a 1999 shooting at a Manhattan nightclub where he'd been with then-girlfriend J.Lo. He was acquitted of the gun and bribery charges after a highly publicized trial. 50 Cent, who carefully conceals a bullet-proof vest beneath his fashionable throwback jerseys, glorifies violence ("I been hit with a few shells, but I don't walk with a limp") and denigrates women in a song titled "P.I.M.P."

But this underbelly has fostered, not impeded, growth. Perhaps that's because violence and sexism are widespread throughout American culture, available at the flick of a TV power switch and common in children's video games.

"Hip-hop is not responsible for producing sexism and violence," says Mr. King of NYU. "But it's been a conduit, and to that extent it reflects larger society."

When the moguls started out, they had a sense of being ignored or underestimated by mainstream companies, of doing things for themselves. That feeling was summed up in the name of a pioneering black fashion label, FUBU (For Us By Us), created by Daymond John and three of his friends from Queens.

Now, that phrase could be rewritten to read Big Business Buying Us, as the biggest brands in the world tap hip-hop's youth appeal. Recent examples range from McDonald's hip-hop flavored "I'm lovin' it" campaign, to Old Navy hiring sexy rapstress Lil' Kim to hype its sweaters for the holidays.

Late last year, \$4.3 billion Liz Claiborne Inc. spent \$114 million to buy Manhattan-based hip-hop brand Enyce. Karen Murray, group president of menswear for Claiborne, admits that although hip-hop labels existed five and 10 years ago, Liz wasn't interested back then.

"The hip-hop trend has real legs now, because it's becoming mainstream-this is what young kids wear," says Ms. Murray.

© 2007 Thomson/West. No Claim to Orig. US Gov. Works.

1/12/04 CRNYBUS 1

Page 6

Even without direct deals, businesses across New York are catching on. At Harry Winston, the hottest new item is a \$16,000 pendant made-to-order with a customer's initials. To traditional high-end shoppers, it's a diamond-encrusted pendant. To connoisseurs farther uptown and in hoods across America, it's an iced-out medallion.

Bling bling is in

"Hip-hop has given bling bling to the world," says Carol Brodie, Harry Winston's global communications director. "Now, the luxury customer no longer looks at jewelry as something stored in the vault; she wants to wear it every day."

Not all businesses are ready to openly embrace hip-hop, however. Much of corporate America still hides behind euphemisms such as "trendy" or "urban." "It's just a code word for black," says Kenny Mack, founder of hip-hop marketing firm Direct Impulse.

The young men's sportswear department at Macy's Herald Square could be mistaken for 116th Street: The bass is banging, and loose-fitting denim and logos are everywhere. Yet when asked about the store's hip-hop offerings, a spokeswoman responds: "What do you mean, hip-hop? To me, that's way out there. ... It's really just trend merchandise."

Terminology can mean the difference between a dealmaker and a deal breaker. Andrew Lauren, son of Ralph, has produced G, a sophisticated black film updating The Great Gatsby, inspired by P. Diddy in the Hamptons. Despite success at the Toronto, TriBeCa and Urbanworld Film Festivals, Mr. Lauren is still searching for a distributor. "I don't think studios look at hip-hop with the respect it should have," he observes.

Filling office space

Still, hip-hop's rise is prompting some New York City executives to discard preconceived ideas about black ghetto-fabulous style. Doug Winshall, senior vice president of Trizec Properties Inc., owner of garment district office tower 1411 Broadway, underestimated hip-hop's potential in the early 1990s. Now it's the district's fastest-growing leasing category, and Mr. Winshall closed a deal with Mr. Dash because he recognized a moneymaker when he met one—no business suit required.

"I was only surprised I had not heard of Rocawear, and that they required 35,000 square feet," Mr. Winshall says.

As the moguls continue to make inroads into philanthropy and politics, they may just redefine hip-hop in mainstream minds as a positive force for New York and America.

Mr. Simmons, who as usual leads hip-hop's latest evolution, has formed the Hip-Hop Summit Action Network, a grassroots political organization. The group is registering thousands of voters and attracting Democratic presidential hopefuls. He has pressured New York politicians to reform the state's harsh Rockefeller-era drug laws, though so far the effort has yielded more headlines than action.

© 2007 Thomson/West. No Claim to Orig. US Gov. Works.

1/12/04 CRNYBUS 1

Page 7

Mr. Simmons has also called upon hip-hop artists to lead their communities by acting and rapping responsibly, and many are stepping up. Mr. Combs ran the New York City Marathon to raise money for the city's public schools. Working with the New York City Mission Society, Manhattan's oldest social-service organization, Mr. Dash and his partners have donated \$250,000 in the past four years to fund after-school basketball programs in his home neighborhood, Harlem. Even 50 Cent is in: Fifty cents of the \$80.50 purchase price of the new Reebok G-6 sneaker is donated to charity.

"Hip-hop has gone from fighting the power to being the power," says Sylvia Rhone, chairman and chief executive of Elektra Entertainment Group. "Where it goes from here will depend on what the movers and shakers of the genre do with their power."

Copyright © 2004 Crain Communications Inc.

----- INDEX REFERENCES -----

COMPANY: REEBOK INTERNATIONAL LTD; LIZ CLAIBORNE INC; TIMBERLAND; MCDONALDS CORP; TRIZEC PROPERTIES INC; WARNER MUSIC GROUP CORP; BAD BOY WORLDWIDE ENTERTAINMENT GROUP; HLW FAST TRACK INC; KELLWOOD CO; YUCAIPA COMPANIES LLC; SONY CORP; ADIDAS AG

NEWS SUBJECT: (HR & Labor Management (1HR87); Social Issues (1SO05); Business Management (1BU42); Sales & Marketing (1MA51); Target Markets (1TA03); Executive Personnel Changes (1EX23))

INDUSTRY: (Entertainment (1EN08); Fashion Industry (1FA88); Footwear (1FO74); Advertising Campaigns (1AD39); Apparel (1AP19); Advertising & Public Relations (1AD83); Media Moguls (1ME64); Advertising (1AD82); Consumer Products & Services (1CO62); Men's Apparel (1ME50); Sportswear (1SP87); Apparel & Textiles (1AP20))

REGION: (Americas (1AM92); North America (1NO39); USA (1US73); New York (1NE72); California (1CA98))

Language: EN

OTHER INDEXING: (116TH STREET; ASHANTI; BAD BOY WORLDWIDE; BAD BOY WORLDWIDE ENTERTAINMENT GROUP; BLACK ENTERPRISE; BLUE FLAME MARKETING; CLIVE DAVIS DEPARTMENT OF RECORDED; DEF JAM; DIRECT IMPULSE; ELEKTRA ENTERTAINMENT GROUP; FEDERATED; GAP; HERALD SQUARE; HERALD SQUARE PHAT FASHION; J LO; KELLWOOD CO; LIBERACE; LIZ CLAIBORNE INC; MCDONALDS; NATIONAL BLACK THEATER; NATIONAL MAGAZINE AWARD; NAVY; NEW YORK CITY MISSION SOCIETY; NEW YORK UNIVERSITY; **PHAT FARM**; PHAT FASHIONS; POLO; RALPH; REEBOK; REEBOK INTERNATIONAL LTD; SIMMONS LATHAN MEDIA GROUP; SONY CORP; STREET IN; TIMBERLAND; TOMMY BOY; TOMMY HILFIGER; TRIZEC PROPERTIES INC; TV; VIBE; YUCAIPA COS) (Action Network; Affable; Andrew Lauren; Carol Brodie; Combs; Constance C.R. White; Couturiers; Damon Dash; Dash; Daymond John; DJs; Doug Winshall; Excellence; Harlem; Harry Winston; I.G. was; Jameel Spencer; Jason; Jay Margolis; Jeffrey Tweedy; Joseph Simmons; Karen Murray; Kenny Mack; Kimora Lee Simmons; Lauren; Murray.; P. Diddy; P. Diddy" Combs; Queens; Rocawear; Ron Burkle; Run; Russell; Russell Simmons; Sean; Sean John; Simmons; Sylvia Rhone; Terminology; Tom Silverman; Tweedy; Urbanworld Film Festivals; Winshall)

© 2007 Thomson/West. No Claim to Orig. US Gov. Works.